



Form ADV Part 2A Brochure

March 31, 2022

This Brochure provides information about the qualifications and business practices of Zuckerman Investment Group, LLC. If you have any questions about the contents of this Brochure, please contact us at 312-948-8000 or admin@zuckermaninvestmentgroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Zuckerman Investment Group, LLC is a registered investment adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply any level of skill or training.

Additional information about Zuckerman Investment Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated March 31, 2022 is Zuckerman Investment Group LLC's 2021 annual updating amendment. This item summarizes the material changes since the previous brochure dated March 31, 2021.

We will deliver to our clients a free annual updated Brochure that includes a summary of any material changes that are made to this and subsequent Brochures within 120 days of the close of our fiscal year.

The material changes made to this Brochure since our last annual update are the following:

- Item 4, Item 5, Item 7, Item 8 and Item 15 have been revised to add information about ZVS LLC, a new privately offered pooled investment vehicle managed by Zuckerman Investment Group, LLC.

If you would like to request a copy of the Brochure, without charge, please contact us at 312-948-8000 or admin@zuckermaninvestmentgroup.com.

Additional information about Zuckerman Investment Group, LLC also is available on our website at zuckermaninvestmentgroup.com or the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Zuckerman Investment Group, LLC, a Delaware limited liability company (“Zuckerman Investment Group” or “we” or the “firm”) was formed in 2005 and is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended. The firm is principally owned by ZIG Holding, LLC and the Daniel R. Zuckerman Revocable Trust. The firm is beneficially owned by Daniel R. Zuckerman and immediate family members. Further information on Daniel R. Zuckerman, including his biography, is contained in Zuckerman’s Form ADV Part 2B Brochure Supplement.

The firm manages equity, balanced and fixed income portfolios for high net worth individuals and families, trusts, partnerships, retirement plans and charitable foundations. We provide investment advice, counseling and portfolio management to multi-generational families on both a discretionary and non-discretionary basis through the use of separately managed accounts. Each client establishes a custodial relationship with an independent bank or brokerage firm and opens an investment account in the client’s name that is managed by Zuckerman Investment Group.

We have a value-oriented investment philosophy and conduct our own research and analysis to support our investment decisions. We primarily invest in exchange traded equity securities, fixed income securities, exchange traded funds and mutual funds. On a limited basis, we may recommend that our clients invest in alternative assets including hedge funds, private equity funds, real estate funds and other alternative funds. Although the Investment Management Agreement with our clients gives us broad investment authority, we do not anticipate investing in other security types.

In order to understand our clients’ goals and objectives, we have an initial assessment meeting as well as ongoing communication with the clients. At the onset of a client relationship, we set equity and fixed income targets based on the clients’ objectives. Our separately managed accounts generally follow a model portfolio that invests in the same securities as other investors. Clients may impose restrictions on investing in certain securities or types of securities or limits on their weightings.

In addition, the firm provides investment advice to ZVS LLC, a Delaware limited liability company (the “Fund”), which is a privately offered pooled investment vehicle. The Fund invests in a private investment vehicle managed by a third-party investment manager (the “Underlying Fund”). Additional information the Fund is available in its offering documents (the “Offering Documents”).

Zuckerman Investment Group may provide investment advice to other privately offered pooled investment vehicles in the future. The Fund is not currently accepting additional subscriptions at this time.

As of December 31, 2021, we managed approximately \$1,020,000,000 in discretionary assets and approximately \$130,100,000 in non-discretionary assets.

Item 5 – Fees and Compensation

We charge an investment management fee of 1% of a client’s assets under management for separately managed accounts. The investment management fee is negotiable depending on certain client-specific factors including, but not limited to, the size of the account, the aggregate value of related accounts, the nature of the relationship, the complexity of the services provided and other factors.

Each client executes an investment management contract with Zuckerman Investment Group which establishes the investment management fee. We bill clients in advance each calendar quarter and typically directly debit the fee from the clients’ bank or brokerage custodial accounts. Certain clients elect to be billed quarterly for investment management fees as incurred payable by check. Accounts initiated or terminated during a calendar quarter will generally be charged a prorated fee based on the number of days the client account was open during that quarter. Upon termination of any account, any prepaid, unearned fees will be refunded. Fees are calculated based on the value of the client’s assets under management as valued on the close of business on the last business day of the previous quarter.

Zuckerman Investment Group's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment managers and other third-parties. These charges include, but are not limited to, management and performance fees charged by third-party managers, ticket charges, brokerage commissions, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds, exchange traded funds and private funds also charge internal management fees, which are disclosed in a fund’s prospectus or offering documents. These charges, fees and commissions are exclusive of and in addition to Zuckerman Investment Group’s management fee.

In addition, the fees charged to the Fund are described in the Offering Documents. During the Fund's investment period, Zuckerman Investment Group receives a quarterly management fee paid quarterly in advance at a rate of 0.375% (i.e., 1.5% per annum) of each investor's capital commitment amount to the Fund. From and after the end of the investment period, Zuckerman Investment Group will be compensated by a management fee paid quarterly in advance at a rate equal to 0.375% (i.e., 1.5% per annum) of the market value of the Fund's investment in the Underlying Fund.

Zuckerman Investment Group retains full discretion to negotiate fees and may waive or impose different fees on any client. The firm deducts the fees directly from the Fund.

In addition, investors in the ZVS LLC generally will be subject to higher operating expenses than investors that invest directly in the private investment vehicle managed by the third-party investment manager. By gaining access to the Underlying Fund, investors will bear management fees and administrative fees at the Fund level. In addition, investors in the Fund will bear a proportionate share of the fees and expenses of the Fund (including organizational expenses, operating costs, and administrative fees) and, indirectly, fees and expenses of the Underlying Fund.

Neither Zuckerman Investment Group nor its supervised persons accept compensation for the sale of securities or other investment products.

Item 12 further describes the factors that Zuckerman Investment Group considers in selecting or recommending broker-dealers for client transactions.

Item 15 further discusses Zuckerman Investment Group's use of a pricing hierarchy to value certain securities (primarily bonds) and the impact it has on investment management fees.

Item 6 – Performance-Based Fees and Side-By-Side Management

Zuckerman Investment Group does not charge any performance-based fees.

Item 7 – Types of Clients

Zuckerman Investment Group provides investment advice, counseling, and portfolio management to high net worth individuals and families, trusts, partnerships, retirement plans, and charitable foundations. The firm also provides investment advice to the Fund.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Zuckerman Investment Group manages equity, fixed income, and balanced portfolios and we conduct our own research and analysis to support our investment decisions. When evaluating investment opportunities, we talk directly with companies, competitors, suppliers and industry contacts and use various resources such as corporate data, third party research, SEC filings, company press releases, management conference calls and meetings and proprietary research. We generally look for businesses that are both understandable and predictable and that have high returns on capital, sustainable competitive advantages, strong balance sheets and reliable management teams. We follow a value-oriented investment approach and buy companies that trade at a discount to our estimate of intrinsic value.

We generally have a long term investment horizon. Our investment thesis typically plays out over years, not months. We have a disciplined process and sell an investment if, among other things, its value reaches our estimate of intrinsic value or if there is an unexpected change that negatively impacts the investment. It is common that we will establish a new position at the low end of its target weight and then increase the position size over time. We are mindful of tax implications and generally manage holding periods to minimize taxes at the individual account level.

Investing in securities, similar to all investments, involves the risk of loss of principal that clients should be prepared to bear. There is the potential that we can lose all or part of any investment. We do not represent any performance results as indicators of future results. Our past performance is not an indication or guarantee of our future performance.

Equity securities are subject to market risk, which is the possibility that securities prices overall will decline over short or even long periods. Securities markets tend to move in cycles, with periods of rising prices and periods of falling prices. These fluctuations are expected to have a substantial influence on the value of investments. Investment in international mutual funds and exchange traded funds involve special risks, including currency fluctuations and different and economic and political systems.

Fixed income securities are subject to credit risk, failure of an issuer to make timely interest or principal payments, or a decline in the credit quality

of a bond or creditworthiness of a borrower can cause a fixed income security's price to fall and potentially lower the value of the portfolios. In addition to investing in investment grade securities, portfolios invest in non-investment grade securities, which involve greater credit risk, including the risk of default. The prices of non-investment grade securities are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general.

Portfolios may have significant weightings in a particular issuer, sector, country or industry, which may subject them to greater risks than less concentrated portfolios.

In addition, the investment performance of the Fund will depend almost entirely on the performance of the Underlying Fund, over which Zuckerman Investment Group will have no influence or control. Investors will have no right or power to influence, control, or participate in the day-to-day management of the Underlying Fund. Investors are not and will not be direct investors in the Underlying Fund or have any right to specific interests held in the Underlying Fund. As a result, investors will not own any direct interests in the Underlying Fund or have the contractual rights of the direct investors in the Underlying Fund. The Underlying Fund invests in an asset that lacks a readily ascertainable market value, and the Fund will be affected by the valuations of the asset. Given the uncertainty inherent in the valuation of an asset that lacks a readily ascertainable market value, the value of such asset may differ materially from the prices at which the Underlying Fund would be able to liquidate the asset.

Item 9 – Disciplinary Information

Neither Zuckerman Investment Group, nor any of its personnel has been the subject of any material legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Zuckerman Investment Group, nor any of its personnel has any other material affiliation to other financial industry activities.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Zuckerman Investment Group has adopted a Code of Ethics for all supervised persons, describing our high standard policies and procedures governing their business conduct and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition against spreading rumors, restrictions on accepting significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other standards of business conduct. All supervised persons at Zuckerman Investment Group must acknowledge the terms of the Code of Ethics at the beginning of employment, annually or as amended.

Subject to satisfying the Code of Ethics and applicable laws, employees of Zuckerman Investment Group or affiliated accounts can trade for their own accounts in securities which are purchased or recommended for Zuckerman Investment Group's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Zuckerman Investment Group will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not interfere materially with the best interest of Zuckerman Investment Group's clients. Because the Code of Ethics permits employees to invest in the same securities as clients, there is a potential conflict that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent and mitigate conflicts of interest between Zuckerman Investment Group and its clients.

Generally, employees of Zuckerman Investment Group invest in the same securities which are purchased or recommended for our clients. Exceptions to the above may be granted by the CEO, CCO, or the CCO's designee. Zuckerman Investment Group has adopted the following principles governing personal investment activities by Zuckerman Investment Group's supervised persons:

- The interests of client accounts will at all times be placed first;
- All employee securities transactions will be conducted in such manner as to try to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Supervised persons must not take inappropriate advantage of their positions.

Client trades may be executed as part of bunched orders with employee, family, and/or affiliated accounts. In all cases of partial execution, client accounts are allocated to first in a manner which is fair and equitable to the client. As a result, employee, family and affiliated accounts will receive higher or lower execution prices than clients on the same securities. Any variation from this practice must be approved by the CEO, the CCO or the CCO's designee.

Zuckerman Investment Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at 312-948-8000 or admin@zuckermaninvestmentgroup.com.

Item 12 – Brokerage Practices

Zuckerman Investment Group has the authority and discretion to choose the executing broker-dealer for client transactions. We consider several factors in selecting the broker-dealer, including but not limited to, the nature of the security being traded, the size of the transaction, the transaction costs, particular expertise in the type of security or market, responsiveness and promptness in providing execution, ability to maintain anonymity, opportunity for price improvement and access to relevant markets. Brokerage commissions are negotiated by us with each broker-dealer. Depending on various factors, such as the value of research or execution quality, we will pay higher fees than if our only consideration was to obtain the lowest possible transaction commission.

The firm receives eligible research, brokerage and other products or services ("soft dollar benefits") other than execution from broker-dealers in connection with transactions on behalf of clients. In selecting a broker-dealer, we take into consideration such soft dollar benefits.

The types of research, brokerage and/or other products or services we acquired in the previous year included: proprietary or third-party investment-related research, limited circulation publications focused on investing, research consultants, pricing information and market data services, meetings and software or other products and services used by Zuckerman Investment Group in providing investment advisory services to clients. Additionally, in some cases, these "soft" or commission dollars are used to service client accounts that did not pay for the benefits since we do not allocate soft dollar benefits to client accounts based on the soft dollar credit the accounts generate. As a result, the commissions paid to broker-dealers can exceed the lowest possible commissions available and clients can be deemed to be paying for such services with "soft" or commission dollars.

When "soft" or commission dollars are used to obtain research, brokerage or other products or services, the adviser receives a benefit because the adviser does not have to produce or pay for the research, brokerage, products or services. On the other hand, the client benefits because they receive research, brokerage, and other products or services they otherwise would not have been able to benefit from. This creates an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services. Zuckerman Investment Group determines in good faith that commissions charged are reasonable in relation to the value of services received in view of the terms of the particular transaction or the adviser's overall responsibilities to all of its clients

In all cases, "soft dollar" arrangements will comply with the so-called "safe harbor" provisions of Section 28(e) of the Securities Exchange Act of 1934. The firm also receives incidental research-related products or services from brokers outside of formal soft dollar arrangements that are considered a "soft dollar benefit" under applicable law.

Clients may request us to direct brokerage to a certain broker-dealer. If a client chooses to direct brokerage, the agreement between the client and broker must be provided to us in writing. Zuckerman Investment Group's ability to achieve best execution will be partially or wholly limited by the nature of the directed brokerage agreement that the client has instructed us to follow. For example, the commissions charged in directed brokerage arrangements may be higher than what Zuckerman Investment Group would pay for similar transactions. Additionally, the client may incur a higher cost because we are unable to obtain the most favorable execution and/or we will not be able to aggregate the order to reduce transaction costs.

We generally aggregate orders to obtain a more advantageous execution price and a lower commission rate. However, in situations including but not limited to new account funding, account specific asset class target changes, and account liquidations, order aggregation may not be practical and therefore is not always performed.

The firm will infrequently direct trades of securities directly between client accounts when, in the judgment of Zuckerman Investment Group, the transaction is in the best interest of each client participating in the transaction. When this occurs, we arrange the transaction through an independent broker-dealer for one client account to purchase a security directly from another client account at prevailing market prices. We

are not a broker-dealer and we do not receive compensation from a cross trade. However, the broker-dealer facilitating the trade normally charges an administrative fee to the clients' accounts.

Item 13 – Review of Accounts

Zuckerman Investment Group investment professionals, which includes members of the investment committee, relationship managers and investment analysts, review all client accounts on an as needed basis to ensure the accounts are consistent with the client's stated objectives and identify accounts that warrant a more detailed review. Client accounts are also reviewed on an as needed basis based on market conditions and changes to a client's financial situation. The account reviews include, but are not limited to, assessing the client's objectives, evaluating the asset class weightings against targets, analyzing the composition of the individual securities in the portfolio, and reviewing any stated restrictions by the client.

On a quarterly basis, all clients receive a package that contains written reports regarding their account which may include a summary of assets under management, portfolio appraisal, performance, billing statement and other client specific statements. Clients may request that specific reports be added to their quarterly package.

Item 14 – Client Referrals and Other Compensation

Zuckerman Investment Group currently does not pay third parties for client referrals nor do we receive any other compensation for client referrals. In the event that this should change, the details of any specific agreement with unaffiliated third parties for their assistance in referring business to Zuckerman Investment Group will be provided to affected clients prior to, or at the time of, entering into any advisory contract with such clients. Any such arrangements will comply with Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15 – Custody

Zuckerman Investment Group generally does not have physical custody of client funds or securities, with the exception of debiting advisory fees. However, principals of Zuckerman Investment Group act as trustees for certain trusts and in that regard Zuckerman Investment Group is deemed to have custody over the assets of those trusts. In this instance, a surprise custody examination is performed by an independent Public Company Accounting Oversight Board auditor.

Clients receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Zuckerman Investment Group urges clients to carefully review these statements and compare these official custodial records to the account statements that we provide.

In order to efficiently and consistently price certain securities (primarily bonds), Zuckerman Investment Group will obtain quotes from each of the custodians that our clients, collectively, have a relationship with. The custodians are listed in a hierarchy determined by Zuckerman Investment Group. When Zuckerman Investment Group prices the securities, we will use the quotes provided by the first custodian on the list. If that custodian does not have quotes available for the security, Zuckerman Investment Group will move to the second custodian on the list and so on. As a result of this pricing method, the prices reflected in Zuckerman Investment Group statements for the subject securities, may differ from those in a client's custodial statement. As explained in "Item 5 – Fees and Compensation", Zuckerman Investment Group charges a management fee based on a percentage of assets under management. Accordingly, when the pricing hierarchy described above is used, the value of the assets under management in a client's account, and thus the actual management fee charged to the client, may be higher or lower than if the prices of the subject securities were obtained directly from the client's own custodian. Additionally, our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. In general, the client's qualified custodian will hold the official record of the cost basis. Clients are urged to compare the cost basis of bonds reported by Zuckerman Investment Group to the cost basis reported by the client's qualified custodian.

Additionally, the firm is deemed to have custody of the Fund's assets. The Firm intends to comply with Rule 206(4)-2 under the Advisers Act by having the Fund audited on an annual basis by an independent public accountant that is both registered and subject to regular inspection by the Public Company Accounting Oversight Board and by distributing the audited financials of the Fund to investors within 180 days of the Fund's fiscal year-end.

Item 16 – Investment Discretion

Zuckerman Investment Group standard investment contract provides us with full discretionary authority to select the identity and amount of securities to be bought or sold without obtaining client consent or authority. In all cases, such discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

Clients execute an Investment Management Agreement which appoints Zuckerman Investment Group as investment adviser for their investment accounts. Clients are responsible for informing of any investment guidelines or restrictions and any changes to their investment objectives.

When selecting securities and determining amounts, the firm observes the investment policies, limitations and restrictions of the clients for which it advises.

Item 17 – Voting Client Securities

Zuckerman Investment Group has the authority to vote proxies on clients' behalf, unless otherwise stated in the Investment Management Agreement. The firm utilizes the services of Glass Lewis, LLC to provide in-depth proxy research and proxy voting recommendations and Broadridge to manage the proxy voting process including execution and maintain the necessary recording keeping. We believe that our policy of voting in accordance with the recommendations of Glass Lewis, LLC ensures that proxies are voted in the best interest of clients when there are no company-specific reasons for voting to the contrary. In rare circumstances, Glass Lewis, LLC will recommend a vote that does not align with our investment thesis and we will amend the vote. Our policy to vote in the best interest of clients also applies to consents and other solicitations requested by various private funds, and proxies relating to securities held directly by clients but managed by us. Because solicited votes with respect to private funds often raise unique questions, we review, evaluate and vote these on a case by case basis. When a consent or other solicited vote or proxy relates to a routine matter, we generally vote in accordance with the objective of encouraging action that enhances client value.

We generally follow Glass Lewis, LLC's recommendations and do not use our discretion in voting. Since our client proxies are voted based on a pre-determined policy based on Glass Lewis, LLC's recommendation, they are not affected by any potential or actual conflict of interest of ours.

When we identify a potential conflict of interest, we will determine whether the conflict is material. If we determine the conflict is material, we will take one or some of the following steps:

- Inform the client of the material conflict and our voting decision.
- Discuss the proxy vote with the client.
- Fully disclose the material facts regarding the conflict and seek the client's consent to vote the proxy as intended.
- Seek the recommendation of an independent third party.

In all cases, we will document the steps we took to address the conflict.

Clients can obtain a copy of Zuckerman Investment Group's complete proxy voting policies and procedures upon request. Clients can also obtain information from Zuckerman Investment Group about how Zuckerman Investment Group voted any proxies on behalf of their account(s). Clients who wish to vote their own proxies or would like to obtain any information about how their proxies were voted should contact us at 312-948-8000 or admin@zuckermaninvestmentgroup.com.

Item 18 – Financial Information

Zuckerman Investment Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.